

March 1999

Dear Friends,

It's property tax time again. As homeowners prepare to pay their taxes for the first half of the year, we're reminded of the burden placed on many seniors, especially those on fixed incomes.

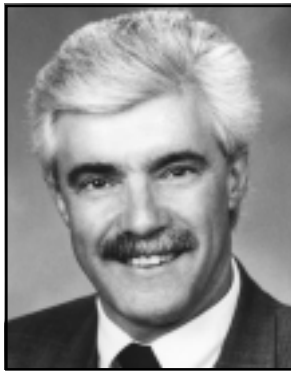
We are concerned about the serious dilemma that exists for homeowners when their taxes rise faster than their income. For this reason, we have introduced several pieces of legislation this session to ease the property tax burden on Washington seniors.

This pamphlet describes many of our proposals. It will also tell you how to take advantage of tax breaks the Legislature has already adopted that are currently available to many seniors.

Reducing the property tax burden to keep housing affordable has been an ongoing effort for us. We believe government's claim to tax revenue should never be the cause for people to lose their homes. At some point, we have to say, you own your home, and we will not allow government to take away what you've worked for.

If you have any questions about property tax breaks or other issues affecting seniors, please let me know.

Mike



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ARE YOU GETTING THE PROPERTY TAX BREAKS YOU DESERVE?

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House Republicans' Senior Citizen Property Tax Plan



ARE YOU GETTING THE PROPERTY TAX BREAKS YOU DESERVE?

PROPERTY TAX EXEMPTIONS

Who qualifies?

The Legislature has expanded the number of seniors who qualify for property tax exemptions. You may qualify for property tax exemptions if you meet all of the following criteria:

- **You are at least 61 years of age or disabled.**
- **You own and live in a single-family home, mobile home, or condominium.**
- **You have a combined household income not exceeding \$30,000.**

Expenses for some nursing or home health care and some medications may be deducted when calculating your income. You also can remain eligible for tax breaks if your home is rented while you're in the hospital or nursing home.

Valuation limit

Qualifying citizens are entitled to property tax exemptions on their principal residence and up to one acre of land. The value of the residence is frozen at its value on Jan. 1 of the year in which you first qualify for the program.

Exemption schedule

You are eligible for the following exemptions if your combined household income falls within the range indicated.

<u>Income</u>	<u>Exemption</u>
\$24,001 to \$30,000	All excess levies (special school levies are an example of excess levies).
\$18,001 to \$24,000	All excess levies and regular levies on the greater of \$40,000 or 35 percent of assessed valuation (maximum \$60,000).
\$18,000 or less	All excess levies and regular levies on the greater of \$50,000 or 60 percent of assessed valuation.

REMODELING

People who remodel single-family homes can qualify for tax exemptions on the increased value of their property. Owners may claim tax exemptions on new additions of up to a third of the original value of their homes for three full years following remodeling.

PROPERTY TAX DEFERRALS

If you are 60 years of age or retired because of physical disability, and your disposable income is \$34,000 or less, you may qualify for property tax deferrals. The state allows property tax deferrals on up to 80 percent of the equity in your home. The deferral program applies to your principal residence and up to five acres, depending on the minimum parcel size required by local zoning laws.

Under this program, you pay no property tax until the home is sold. The state pays the deferred taxes, and in exchange, receives a lien against the property equal to the amount of owed taxes plus 8 percent. Total taxes are collected when the property is sold or passed on.

▶ HOW TO APPLY FOR PROPERTY TAX BREAKS

For information on both property tax exemptions and deferrals, call your county assessor:

Pierce County Assessor (253) 798-6111

For more information about our state's property tax laws, call the Washington State Department of Revenue:

Washington State Department of Revenue..... 1-800-647-7706

TAKE CONTROL OF YOUR PROPERTY TAXES

Referendum 47, passed by the Legislature and approved by Washington voters in 1997, placed more restrictive limits on all state and local property tax increases. It limits the increase in property tax collections to the rate of inflation or 6 percent, whichever is lower. In order to raise revenues above the rate of inflation, a taxing district must declare a substantial need and approve the increase by a vote of its governing body.

Furthermore, legislation passed in 1995 requires all local taxing districts to hold public hearings before increasing property taxes.

These provisions are meant to protect homeowners from excessive increases, but they only work if you become involved. Contact your local taxing district or watch your newspapers for meeting dates, times, and locations.

1999 House Republicans' Senior Citizen Property Tax Plan

✔ Working For Additional Tax Relief

Additional property tax relief for senior homeowners has been proposed this session by Republicans in the House of Representatives specifically aimed at protecting retirees on fixed incomes.

Capping assessments for senior homeowners

While Referendum 47 helped limit property tax rate increases, escalating valuations continue to cause drastic tax increases for homeowners.

This session we have introduced legislation that would limit assessment increases to 2 percent per year for senior homeowners whose annual household income is less than \$50,000.

✔ Making More Seniors Eligible For Relief

We have also re-introduced provisions of a bill vetoed last year that would make more seniors eligible for tax relief:

- **Allowing seniors to deduct medical insurance costs when calculating their income to determine eligibility.**
- **Allowing disabled veterans injured while on active duty to deduct their VA benefits when calculating their income to determine eligibility.**
- **Increasing the amount of property that could be declared tax-exempt from one acre to five acres, if local zoning laws require a minimum lot size larger than one acre.**

The Republican property tax package also includes several provisions for general property tax relief:

- **Reducing the inflation factor for the state property tax to zero over the next 10 years.**
- **Making it harder for local taxing districts to increase property tax rates above the rate of inflation.**
- **Strengthening taxpayers' rights when there is a dispute over tax liability. Our bill would shift the legal presumption in favor of the taxpayer and place the burden of proof on the government in all tax disputes.**

Each of these provisions takes aim at fundamental problems in our property tax laws. We are working to restore fairness and provide relief for all homeowners, especially those on limited incomes, so that young families can afford their first home and seniors can remain in their homes for as long as they choose.